

Appl'n No. 08/674,726

Responsive Amendment/Reply dated March 14, 2007

Reply to Office Action of December 14, 2006

### **REMARKS/ARGUMENTS**

The Applicant thanks Examiner Blount for telephonic interview, which took place on or about January 30, 2007. The Interview Summary PTOL-413 indicates the date of the Interview as February 6, 2007. Applicant respectfully requests confirmation of the January 30, 2007 date. During the interview with Examiner Blount, Claims 3, 4, 5 & 6, corresponding dependent claims, Miller and the prior art were discussed.

With regards to "the IDS mailed 7/30/01", page 4 of the December 14, 2006 Office Action, it was confirmed that the IDS is not part of the instant filing.

**Comments concerning Claim Objections**

Examiner explains that: "Claims 3, and 4 and 6 are objected to because of the following informalities: given the importance of the 'bandwidth securitization instrument' in the claim, the examiner believes it should be positively recited in the body of the claim not only in the preamble" December 14, 2006 Office Action at Page 2.

Additionally, Examiner states: "Claims 6 and 21-22 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten to include limitations of the base claim and any intervening claims" December 14, 2006 Office Action at Page 4. Claim 6 is an independent claim as agreed during the telephonic interview on or about January 30, 2007.

Applicant maintains Claim 6 is allowable.

Applicant respectfully directs Examiner to the following:

See MPEP 2111.02 states: "[A] claim preamble has the import that the claim as a whole suggests for it." *Bell Communications Research, Inc. v. Vitalink Communications Corp.*, 55 F.3d 615, 620, 34 USPQ2d 1816, 1820 (Fed. Cir. 1995). "If the claim preamble, when read in the context of the entire claim, recites limitations of the claim, or, if the claim preamble is 'necessary to give life, meaning, and vitality' to the claim, then the claim preamble should be construed as if in the balance of the claim." *Pitney Bowes, Inc. v. Hewlett-Packard Co.*, 182 F.3d 1298, 1305, 51 USPQ2d 1161, 1165-66 (Fed. Cir. 1999)."

See MPEP 707.07(j) states: "When, during the examination of a *pro se* application it becomes apparent to the examiner that there is patentable subject matter disclosed in the application, the examiner should draft one or more claims for the applicant and indicate in his or her action that claims would be allowed if incorporated in the application by amendment." Applicant is proceeding *pro se* and requests clarification on how the cited claims can be rewritten if there continue to be objections.

**Rejections under 35 U.S.C. § 102**

**§ 102 Rejections based on U.S. Patent 5,640,569 ("Miller")**

Claims 3, 4, 5, 16 and 18, stand rejected as allegedly anticipated by U.S. Patent No. 5,640,569 issued to Miller et al. (hereinafter "Miller") -- Page 2 of the December 14, 2006 Office Action.

**Claims 3, 4, 5, 16 and 18**

In order for a reference to anticipate a claim, the reference must disclose each and every limitation of the claimed invention, either expressly or inherently, such that a person of ordinary skill in the art could practice the invention without undue experimentation. See *Atlas Powder Co. v. Ireco Inc.*, 190 F.3d 1342, 1347, 51 USPQ2d 1943, 1947 (Fed. Cir. 1999); *In re Paulsen*, 30 F.3d 1475, 1479, 31 USPQ2d 1671, 1673 (Fed. Cir. 1994). Independent Claim 3 (and all claims depending therefrom) recites [emphasis added]: "A computerized method of managing a bandwidth securitization instrument, comprising the steps of: **dividing a total bandwidth resource into a plurality of component bandwidth resource units**; representing a first component bandwidth resource unit with the bandwidth securitization instrument; receiving at a computer system a value associated with the first component bandwidth resource unit; **and assigning a value to the bandwidth securitization instrument without human intervention, based on the received value associated with the first component bandwidth resource unit.**" The Section 102 rejection of Claim 3 (and all claims depending therefrom) is improper for at least the reason that Miller fails to disclose a "bandwidth securitization instrument". As is understood by one of ordinary skill in the art, a "securitization instrument" evidences at least ownership, creditorship or some other right.

Miller allegedly discloses a "second-price sealed bid auction" (Miller at Col. 2 ll. 23-25) for "diverse goods". Every bid [emphasis added] "... preserves the integrity of each diverse goods bid and either allocates **all the goods** in a bid, in the quantities requested, or denies the bid" (Miller at Col. 2 ll. 26-49). Miller thus allegedly equates a "total bandwidth resource" with a discrete "good[s]". For at least this reason, winning bids result in complete control of the "total bandwidth resource", an undesirable result. Miller states [emphasis added]: "[b]andwidth allocation requests made by the subscribers 104 constitute competing requests for multiple goods because **the available bandwidth on each network link represents a distinct and separate good**" (Miller at Col. 3 ll. 65 – Col. 4 ll. 3). Miller thus teaches away from pricing or valuing at least one "bandwidth component resource unit". These "resource units" enable efficient operation of bandwidth allocation. Optimizing and apportioning bandwidth on a per-unit basis to a plurality of users evidenced by a "bandwidth securitization instrument" or

"bandwidth right" as disclosed in the instant invention—is clearly a significant benefit over Miller and the art.

Miller's technique teaches away from the claimed invention[s] requiring that [emphasis added] **"all bid prices are rates of payment amount per time period"** (Col. 5 ll. 45-47)—nothing in Miller or the prior art suggests [emphasis added] *"a trading instrument which will break bandwidth resources into discrete, usable component pieces, and allow an electronic market system to set a price for this scarce commodity which sets an equilibrium level of supply and demand."* The net effect of this instrument, and its trading systems, will be to efficiently apportion bandwidth to users who wish to download or upload valuable information, in whatever form it takes" (Specification at page 38). Last, Miller needs no securitization instruments asserting instead [emphasis added] "... both data users and video users would **agree that the value per bit of electronic mail is far higher than that of video data...**" (Miller at Col. 1 ll. 42-45). Logically speaking, why price bandwidth when Miller insists that "all bid prices are rates of payment amount per time period"? For these additional reasons the Section 102 rejection for Claim 3 (and all claims depending therefrom) should be withdrawn. The above arguments also apply to Independent Claims 4 & 5 and the claims depending therefrom, respectively.

#### **Additional comments directed at specific claims**

##### **Claim 4**

Claim 4 (and all claims depending therefrom) recite limitations for transfer of bandwidth securitization instruments: 1) "receiving at a computer system instructions to transfer the bandwidth securitization instrument from a first party to a second party" and 2) "transferring the bandwidth securitization instrument from the first party to the second party without human intervention". As no bandwidth securitization is suggested or anticipated by Miller or the prior art, Claim 4 is allowable for at least the reasons presented above and the additional claim language. For this reason and the reasons cited above, Applicants respectfully request the Section 102 rejections be withdrawn for Claim 4 (and all claims depending therefrom).

##### **Claim 5**

Claim 5 (and all claims depending therefrom) recite limitations for assisting a convenience premium for bandwidth securitization instruments: 1) "estimating a demand at a given moment in time for the first component bandwidth resource unit" and 2) "assigning a value to the bandwidth securitization instrument without human intervention, based on the estimated demand for the first component bandwidth resource unit". No bandwidth securitization is taught by Miller or the prior art, argued previously; thus, the additional claim language cannot be

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anticipated by Miller and the prior art. Claim 5 is thus allowable. For these reasons and the reasons cited above, Applicants respectfully request the Section 102 rejections be withdrawn for Claim 5 (and all claims depending therefrom).

Moreover, since Claims 3, 4 and 5 are allowable, the claims dependent therefrom, namely Claims 16, 17, 18, 19 and 20, are also allowable. Further remarks regarding the relationship between these claims and the prior art is not necessary in view of their allowability. The Applicant's silence as to the Examiner's comments is not indicative of acquiescence to the stated grounds for rejection.

**Rejections under 35 U.S.C. § 103**

In order to "establish a prima facie case of obviousness, three basic criteria must be met." MPEP § 7.06.02(j). First, there must be some motivation or suggestion to modify the reference or to make the proposed combination. Second, there must be a reasonable expectation of success. "The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on the applicant's disclosure." MPEP § 2142 (citing *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991)). Third, the combined references must teach or suggest all claim limitations.

The Examiner has failed to establish a prima facie case of obviousness to the extent that there is no motivation or suggestion to make the proposed combinations of the references as directed by the Examiner. According to the MPEP, [i]n order to support a conclusion that the claimed invention is directed to obvious subject matter, either the references must expressly or impliedly suggest the claimed invention or the examiner must present a convincing line of reasoning as to why the artisan would have found the claimed invention obvious in light of the teachings of the references. MPEP 2142 (citing *Ex parte Clapp*, 277 USPQ 972, 973 (Bd. Pat. App. & Inter. 1985)) (emphasis added). Further, "[w]hen the motivation to combine the teachings of the references is not immediately apparent, it is the duty of the examiner to explain why the combination of teachings is proper." MPEP 2142 (citing *Ex Parte Skinner*, 2 USPQ2d 1788 (Bd. Pat. App. & Inter. 1998)).

The Federal Circuit has recently emphasized the importance of providing evidence of motivation to combine in *Winner Int'l Royalty Corp. v. Ching-Rong Wang*, 202 F. 3d 1340, 1348-49 (Fed. Cir. Jan. 27, 2000). "Although a reference need not expressly teach that the disclosure contained therein should be combined with another . . . the showing of combinability, in whatever form, must nevertheless be 'clear and particular.'" *Winner*, 202 F. 3d at 1348-49 (citations omitted). Further, the "absence of such a suggestion to combine is dispositive in an obviousness determination." *Gambro Lundia AB v. Baxter Healthcare Corp.*, 11 F.3d 1573, 1579 (Fed. Cir. 1997).

Applicants submit that the Examiner has not satisfied his initial burden of providing "clear and particular" evidence of motivation to combine for any of the proposed combinations of references. Instead, it appears that the Examiner has simply identified references that allegedly disclose the elements of the claim, and has combined them. Even assuming *arguendo* that the references contained all elements of the claimed invention, it is still impermissible to reject a claim as being obvious simply "by locating references which describe various aspects of a patent applicant's invention without also providing evidence of the motivating



force which would impel one skilled in the art to do what the patent applicant has done." *Ex parte Levengood*, 28 USPQ2d 1300, 1303 (Bd. Pat. App. & Inter. 1993) (emphasis added).

**§ 103 Rejections based on Miller et al. as applied to Claims 3, 4, 5, 16 & 18  
in view of U.S. Patent No. 5,077,665 issued to Silverman et al.  
("Silverman") as applied to Claims 17, 19 & 20**

Claims 17, 19 & 20 have been rejected under 35 U.S.C. § 103(a) as being allegedly unpatentable over Miller in view of Silverman. The Examiner asserts that "... Miller et al. teach the invention as described above but do not teach encrypting the 'bandwidth securitization instrument'. Encryption taught in a similar system is taught in Silverman et al. See col. 6 line 15...", December 14, 2006 Office Action at Page 3 & 4. Applicant respectfully disagrees. Claims 17, 19, and 20, which depend from Claims 3, 4 & 5, respectively, teaches "bandwidth securitization instruments", disclosed previously, Miller does not—his alleged technique is an auction for a "total bandwidth resource" -- bids being expressed as "prices [that] are rates of payment amount per time period" (Miller at Col. 5 ll. 45-47). No "component bandwidth resource units" or any associated securitization instrument, of any kind, is disclosed, as discussed previously. Thus, the cited prior art, even in combination[s], teaches away from the present invention[s].

First, the combination of Miller and Silverman fails to disclose the claim elements in creating a "bandwidth securitization instrument". It is unclear how the Examiner is applying the Miller reference: Miller's auction process fails to disclose bandwidth pricing instead providing an all-or-nothing auction for a "total bandwidth resource" to the exclusion of other potential users, including the losing bidders. Similarly, Silverman does not suggest securing a "bandwidth securitization instrument" (Claims 17, 19 & 20): any alleged Silverman "computer record" is situated in a "central system" from which trades or "trading instrument" matching takes place between *human traders* independent of the security instrument of the present invention—namely, the instrument of the present invention is made "cryptographically secure", as per the claim limitation[s].

Second, neither Miller nor the combination of Miller and Silverman, discloses "a bandwidth securitization instrument" or "a cryptographically secure computer record". In fact, all parties under Miller's auction are involved in an "all-or-nothing" bid teaching away from any need to create cryptographically secure securitization instruments, argued previously. Further, adding Silverman would be improper since his "*distributed matching system*" match bids and offers, not an auction for allocating a total bandwidth resource to a single "winner" as per Miller.

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Third, there is no motivation to combine these two references as claimed in accordance with the claimed invention. The combination would logically result in bidders using a centralized computer system where the winner would corner the market for a "total bandwidth resource". Last, the instant claims (namely Claims 3, 4 & 5) include the limitation "without human intervention", thus, the Silverman reference is inappropriate. Nothing in the references, either expressly or impliedly, suggests that they should be combined. The Examiner is using the instant invention as a roadmap to combine the references. Applicants therefore respectfully request the Examiner withdraw the Section 103 rejections of Claims 17, 19 & 20 (which depend from Claims 3, 4 & 5, respectively).



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### Conclusion

Applicant maintains that this application is in condition for allowance, and such disposition is earnestly solicited. If the Examiner believes that an interview with the Applicants, either by telephone or in person, would further prosecution of this application, we would welcome the opportunity for such an interview.

It is believed that no other fees are required to ensure entry and consideration of this response.

Respectfully submitted,

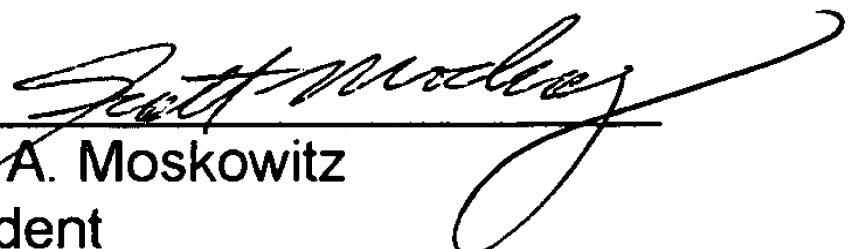
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